

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814
'916) 323-0285



October 4, 1982

ALL-COUNTY LETTER NO. 82-102

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY FISCAL OFFICERS
ALL COUNTY FOOD STAMP PROGRAM COORDINATORS

SUBJECT: FOOD STAMP PROGRAM - FRAUD AND NONFRAUD COLLECTION INCENTIVES
AND IMPLEMENTATION OF THE NEW FORM CA-209 (STATUS OF CLAIMS
REFERENCE: AGAINST HOUSEHOLDS)

The purpose of this letter is to notify counties of:

- (1) A new incentive for household caused nonfraud claim collections;
- (2) Changes in the 50 percent incentive for certain nonfraud claim collections as outlined in All-County Letter No. 82-58; and,
- (3) The implementation of a new Form CA 209 (Status of Claims Against Households) which replaces the existing FNS-209 (Status of Claims Against Households).

New Incentive for Household Caused Nonfraud Claim Collections

Effective retroactive to January 1, 1982 the state is eligible to retain, as an incentive, 25 percent of the value of collected nonfraud claims that resulted from household caused error. The state will pass on one half of this incentive to the counties in accordance with W&I Code Section 18906.6. To receive this incentive counties must separate all nonfraud claims and claim collections as reported on the new CA-209 report, discussed below, into the categories of (1) Household Caused Nonfraud Claims, and (2) Administratively Caused Nonfraud Claims. Such separation shall begin with the implementation of the CA-209, discussed below. Counties should be able to identify and separate claims into these nonfraud claim categories through the use of the Form DFA 842 (Claim Determination Report), Space 9.

Fifty Percent Incentive for Certain Nonfraud Claims

As indicated in All-County Letter No. 82-58, retroactive to July 1, 1981, nonfraud claim collections which resulted from a county obtaining out-of-court settlements through activity by the county fraud unit are eligible for a 50 percent (25 percent state; 25 percent county) collection incentive. The Food

and Nutrition Service (FNS) provided this incentive to the states until the incentive for household caused nonfraud claim collections was implemented. Since FNS has now implemented the incentive for household caused nonfraud claim collections effective back to January 1, 1982, nonfraud claim collections eligible for the 50 percent incentive as outlined in ACL 82-58 is modified as follows:

- (1) All nonfraud claim collections received after July 1, 1981 resulting from out-of-court settlements entered into prior to July 1, 1982 will remain eligible for the 50 percent (25 percent state; 25 percent county) collection incentive; and,
- (2) All nonfraud claim collections resulting from out-of-court settlements entered into after July 1, 1982 is eligible for a 25 percent (12 1/2 percent state; 12 1/2 percent county) collection incentive.

New Form CA-209

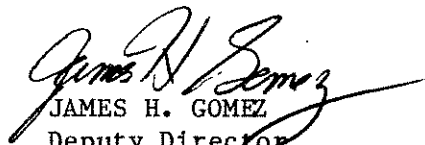
Attached, you will find a copy of a new form CA-209 (Status of Claims Against Households) with included instructions. The new CA-209 replaces the existing FNS-209 (Status of Claims Against Households). The replacement of the existing FNS-209 with the CA-209 was necessary because the FNS-209 no longer clearly or adequately provides sufficient space or guidelines for counties to record data which are now required by the Food and Nutrition Service (FNS).

Counties are requested to begin using the CA-209 for the October 1982 report month. If your county is unable to separate nonfraud claims into "Household Error" or "Administrative Error" for the October 1982 report month, all nonfraud data which are not separable should be entered under Section B(II) "Nonfraud Administrative Error". Data entered in Section B(II) will not be eligible for the new 25 percent (12 1/2 percent state; 12 1/2 percent county) collection incentive. If a county wishes to receive their share of the nonfraud collection incentive which has not been claimed in any prior FNS-209 or CA-209 report, the county must submit a completed CA-209 report which separates nonfraud claims into both of the nonfraud reporting categories for each month involved.

Counties must retain all fraud and nonfraud claim collections in a separate, identifiable, secure account. The state and federal share of these collections will be offset from county Food Stamp Program administrative fund advances. The offsets will be recorded on the Form AA 190 (Statement of Cash Advances). Since all offsets are based on data reported on the CA-209 report, it is important that this report is accurately completed and submitted on a timely basis.

For your convenience, we have attached a "Summary of Incentives for Fraud and Nonfraud Claim Collections." The summary identifies the type of claim collection, the percent of collection incentive, the effective date of the incentive, and how to report collections to ensure that the correct incentives are calculated by this Department.

If you have any questions regarding this letter, please contact Mr. Leighton Lai at (916) 323-0285.



JAMES H. GOMEZ
Deputy Director
Administration

Attachments

cc: Frank Martin, FNS/WRO
Carol Fahey, FNS/WRO
CWDA

FOOD STAMP PROGRAM

SUMMARY OF INCENTIVES FOR FRAUD AND NONFRAUD CLAIM COLLECTIONS

<u>Type of Collection</u>	<u>Percent Incentive</u>	<u>Effective Date</u>	<u>How to Report</u>
1. Fraud	50% (25% S; 25% C)	July 1, 1981	Report as fraud collections on the appropriate line 4 through 10 on the CA-209.
2. Nonfraud (Out-of-Court Settlement) REF: ACL 82-58	50% (25% S; 25% C)	Collections received after July 1, 1981 resulting from all out of court settlements made prior to <u>July 1, 1982</u> are eligible for this incentive.	Identify as nonfraud collection on the appropriate line 4A or 4B on the CA-209 and also separately identify on line 16 of the CA-209 report as "Nonfraud Claim Collections eligible for the 50% incentive".
3. Nonfraud (Household-caused claim)	25% (12 1/2% S; 12 1/2% C)	January 1, 1982 (Except as noted in 2)	Identify collections in the section labeled "Household Error" nonfraud claims on the CA-209 report.
4. Nonfraud (Administratively-caused)	No Incentive	Not Applicable	

Submit All CA-209 Reports within 30 days after each report month to:

Department of Social Services
Fiscal Policy and Procedures Bureau
Food Stamp Program Fiscal Reporting Unit
744 P Street, Mail Station 8-100
Sacramento, California 95814

October 1, 1982

CA 209 GENERAL COMPLETION INSTRUCTIONS (REF: STATE FOOD STAMP MANUAL SECTION 63-801)

County - Enter the name of the County for which the report is prepared.

Report - Check this box if this is an initial report submitted for the report month.

Revised Report - Check this box if this is a report which amends a prior report.

Month - Enter the calendar month for which the figures are reported.

I. ACTIVE CLAIMS SUMMARY

Line 1 - Enter the total dollar value and number of active fraud and nonfraud claims due at the beginning of the report month. These balances should correspond with the figures on line 15 (Balance of Active Claims at End of Month) of the previous month's report.

Line 2(A) - Enter the total dollar value and number of new claims established during the month, regardless of the disposition of the claim after it was established. This includes claims under \$35.00 which at the county's option may be suspended during the report month. A claim may not be considered a fraud claim unless the household member has been found to have committed fraud through an administrative fraud hearing or by a civil or criminal court of appropriate jurisdiction. Nonfraud claims must be separated into claims resulting from client caused overissuances and those claims resulting from overissuances caused by county administrative error.

Line 2(B) - Enter the total dollar value and number of claims reactivated from suspense and explain such reactivation in the "Remarks" section. Examples of reasons for reactivation are: after the claim was suspended the household began making payments, the suspended claim was offset by a restoration of lost benefits, the case was erroneously put in suspense, etc. If payment is made for a case which was previously suspended, the county must include on Line 2(B) the amount owed before the payment is deducted. This entry must equal the entry recorded on the Suspended Claims Summary, Line 4(B). The payment received is then recorded on Lines 4 thru 10 below.

Line 2(C) - Enter the total dollar value and number of claims for which adjustments are made on Active Claims during the report month and explain in the "Remarks" section. Examples of adjustments include changes because of state hearing decisions, eligibility worker error, clerical error, transfer from nonfraud to fraud, etc.

Line 3 - Complete this item by adding together lines 1, 2(A), 2(B), and 2(C).

Line 4(A) - Enter the total dollar value of all funds collected by cash: check, money order in payment of fraud and nonfraud claims during the report month. Collections for claims for which the claim amount is also a FNS-46 or FNS-250 liability must be reported on lines 6(A) or 7(A). The county agency shall retain all funds collected in a separate, secure identifiable account.

Line 4(B) - Enter the total dollar value of all funds collected through the voluntary return of food coupons in payment of fraud and nonfraud claims during the report month. The county agency shall ensure that copies of the FNS-135's, Affidavit of Return or Exchange of Food Coupons are completed and retained in the client's case file as verification that coupons were returned by the client. Counties must also retain original FNS-135s in their CA 209 files for auditing purposes. Counties must attach a consolidated FNS-135 to this report with an attached listing of names of clients, case number, and amount of coupons each client returned as repayment of a claim during the report month. Only FNS-135's completed for the purpose of returning food coupons in repayment of claims are to be included in this item. Collections for claims for which the claim amount is also a FNS-46 or FNS-250 liability must be reported on lines 6(B) or 7(B).

Line 5 - Complete this item by adding together Lines 4(A) and 4(B).

Line 6(A) - Enter the total dollar value of funds collected by cash, check or money order in repayment of a claim for which the county is or has been held liable through the FNS-46 (ATP Reconciliation Report) reporting process. Include in the "Remarks" section the amount collected and the FNS-46 report month in which the liability occurred.

Line 6(B) - Enter the total dollar value of funds collected through the return of food coupons, allotment reduction, or by offsetting benefits in repayment of a claim for which the county is held liable through the FNS-46 (ATP Reconciliation Report) reporting process. (These repayments will generally come from collections in the Nonfraud Claim-Administrative Error Category.) Include in the "Remarks" section, the amount collected and the FNS-46 report month in which the liability occurred. Nonfraud claims may not be established if a household transacts an expired ATP.

Line 7(A) - Enter the total dollar value of funds collected by cash, check, money order in repayment of a claim for which the county is or has been held liable through the FNS-250 (Food Coupon Accountability Report) reporting process. Include in the "Remarks" section the amount collected and the FNS-250 report month in which the liability occurred.

Line 7(B) - Enter the total dollar value of funds collected through the return of food coupons, allotment reduction, or by offsetting benefits in repayment of a claim for which the county is or has been held liable thorough the FNS-250 (Food Coupon Accountability Report) reporting process. Include in the "Remarks" section the amount collected and the FNS-250 repot month in which the liability occurred.

Line 8 - Complete this item by adding lines 6(A), 6(B), 7(A), and 7(B).

Line 9 - Enter the total dollar value of allotment reductions recouped to repay fraud claims. Coupon allotments may not be reduced to repay nonfraud claims. Do not include amounts recovered through offsetting restoration of lost benefits. These amounts are reported on Line 10. Also, do not include the value of allotment reductions due to a household's member's disqualification. Allotment reductions due to disqualification do not qualify as collections. Any amount recouped for claims for which the claim amount is also a FNS-46 or FNS-250 liability must be separately reported on lines 6(B) or 7(B).

Line 10 - Enter the total dollar value of funds recovered as a result of offsetting lost benefits to be restored against recipient claims during the report month. Any amounts offset for claims for which the claims amount is also a FNS 46 or FNS 250 liability must be separately reported on Lines 6(B) or 7(B).

Line 11(A) - Complete this item by adding together lines 4(A), 6(A) and 7(A).

Line 11(B) - Complete this item by adding together lines 4(B), 6(B), 7(B), 9 and 10. The State Department of Social Services will amend the quarterly to reflect the County's retention of 25 percent of the dollar value of fraud claims collected, 12-1/2 percent of the dollar value of client caused nonfraud claims collected as well as full retention by FNS of all administratively caused nonfraud overissuance recoveries.

Line 12(A) - Enter the total amount by which claims were reduced during the report month through compromises negotiated between the county agency and the food stamp household. Provisions for when claims may be compromised are included in state regulation under "Claims Against Households."

Line 12(B) - Enter the total dollar value and number of claims suspended during the report month. Provisions for when claims may be suspended are included in state regulation under "Claims Against Households." (A corresponding entry should be made on the Suspended Claims Summary, Line 2(A).

Line 13 - Complete this item by adding together lines 12(A) and 12(B).

Line 14 - Enter the number of active fraud and nonfraud claims closed during the report month by:

- a) Lump-sum payments,
- b) Completion of installment payments,
- c) Completion of Allotment Reduction (fraud only), or
- d) Offsetting the full amount of claims against lost benefits.

The procedures for the disposition of claim records following closure are established in Section 63-201.6, Retention of Records.

Line 15 - Enter the total dollar value and number of fraud and nonfraud claims on which collection action is continuing, including those which the required demand letter(s) have not been sent.

Line 16(A) - Enter the total dollar value of all funds collected by cash, check, money order in payment of nonfraud claims during the report month which is eligible for 50 percent retention and is included in Line 4(A). Only nonfraud collections received after July 1, 1981 resulting from out-of-court settlements entered into prior to July 1, 1982 are eligible for this incentive.

Line 16(B) - Enter the total dollar value of all funds collected through the voluntary return of food coupons in payment of nonfraud claims during the report month which is eligible for 50 percent retention and is included in Line 4(B). Only nonfraud collections received after July 1, 1981 resulting from out-of-court settlements entered into prior to July 1, 1982 are eligible for this incentive.

II. SUSPENDED CLAIMS SUMMARY

Line 1 - Enter the beginning month balance of the total dollar value and number of claims that were suspended in prior months and have not been terminated. These balances should correspond with the figures on Line 6 (Balance of Suspended Claims at End of Month) of Suspended Claims Summary for the previous month's report.

Line 2(A) - Enter the total dollar value and number of claims suspended during the report month. This includes claims under \$35.00 which, at the county's option, may be suspended during the report month. Provisions for when claims may be suspended are included in state regulation under "Claims Against Households". (This entry must equal the entry recorded on the Active Claims Summary, line 12(B).)

Line 2(B) - Enter the total dollar value and number of claims for which adjustments are made to the suspense account during the report month and explain in the "Remarks" section. Examples of adjustments include: changes because of state hearing decisions, eligibility worker errors, clerical error, transfer from nonfraud to fraud, etc.

Line 3 - Complete this item by adding together lines 1, 2(A), and 2(B).

Line 4(A) - Enter the total dollar value and number of claims which have been held in suspense for three years and are being terminated during this report month.

Line 4(B) - Enter the total dollar value and number of claims which have been transferred from Suspense Status to Active during the report month. (This entry must equal the entry recorded on the Active Claims Summary, Line 2(B).)

Line 5 - Complete this item by adding together lines 4(A) and 4(B).

Line 6 - Enter the total dollar value and number of fraud and nonfraud claims which remain in suspended status at the end of the month, including those suspended during the report month.

III. Enter the total number of fraud and nonfraud claims closed during the report month by:

- a) Lump-sum payments,
- b) Completion of installment payments,
- c) Recoupment (fraud only)
- d) Offsetting the full amount of claims against lost benefits,
- e) Termination, and
- f) Adjustments.

The procedures for the disposition of claim records following closure are established in state regulation Section 63-201.6, Retention of Records.

STATUS OF CLAIMS AGAINST HOUSEHOLDS

INSTRUCTIONS: This report identifies the county's fraud and nonfraud activities during a calendar month. Each county shall prepare and submit an original and one copy by the 30th day following the end of each report month, to the Department of Social Services, Fiscal Policy and Procedures Bureau, 744 P Street, Mail Station 8-100, Sacramento, CA 95814. Each county must also retain a copy in their files for audit purposes. Counties must submit this report regardless of whether the county collects any payments during the report month. (For purposes of this report a report month equals a calendar month.)

COUNTY		<input type="checkbox"/> REPORT <input type="checkbox"/> REVISED REPORT		MONTH/YEAR		
I. ACTIVE CLAIMS SUMMARY	A. FRAUD		B. NON FRAUD			
	AMOUNT	NUMBER OF CLAIMS	I. HOUSEHOLD ERROR		II. ADMINISTRATIVE ERROR	
			AMOUNT	NUMBER OF CLAIMS	AMOUNT	NUMBER OF CLAIMS
1. Balance of active claims at beginning of month	\$		\$		\$	
2. Status of monthly claims:						
A. New claims established during month						
B. Claims reactivated from suspense						
C. Adjustments (Identify in Remarks)						
3. SUBTOTAL (1 + 2A + 2B + 2C)						
4. Amounts collected by:						
A. Check, cash, money order						
B. Food Stamp coupons						
5. SUBTOTAL (4A + 4B)						
6. Amount collected in repayment of a FNS-46 liability:						
A. Check, cash, money order						
B. Food Stamp coupons						
7. Amount collected in repayment of a FNS-250 liability:						
A. Check, cash, money order						
B. Food Stamp coupons						
8. SUBTOTAL(6A + 6B + 7A + 7B)						
9. Amount collected by recoupment						
10. Amount collected by offset						
11. TOTAL COLLECTIONS:						
A. (4A + 6A + 7A)						
B. (4B + 6B + 7B + 9 + 10)						
12. Amount for which collections action will not be pursued:						
A. Compromised claims						
B. Claims suspended during month						
13. SUBTOTAL (12A + 12B)						
14. Number of active claims closed during month						
15. Balance of active claims at end of month (3 minus 11A minus 11B minus 13 minus 14)	\$		\$		\$	
16. Non fraud collections included in lines 4A and 4B which are eligible for 50% retention:						
A. Cash, check, money order						
B. Food coupons						

Remarks (attach additional sheets if necessary):

I CERTIFY THAT THIS INFORMATION IS TRUE AND CORRECT

SIGNATURE

TITLE

TELEPHONE NUMBER

DATE



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II. SUSPENDED CLAIMS SUMMARY	A. FRAUD		B. NON FRAUD			
	AMOUNT	NUMBER OF CLAIMS	I. HOUSEHOLD ERROR		II. ADMINISTRATIVE ERROR	
			AMOUNT	NUMBER OF CLAIMS	AMOUNT	NUMBER OF CLAIMS
1. Balance of suspended claims at beginning of month	\$		\$		\$	
2. Status of monthly claims:						
A. Claims suspended during month						
B. Adjustments (Identify in Remarks)						
3. SUBTOTAL (1 + 2A + 2B)						
4. Amount for which collection action will not be pursued:						
A. Terminated claims						
B. Claims transferred to active						
5. SUBTOTAL (4A + 4B)						
6. Balance of suspended claims at end of month (3 minus 5) ...	\$		\$		\$	
III. TOTAL NUMBER OF CLAIMS CLOSED DURING MONTH						

Remarks: